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SUBJECT: PARTNERSHIP FOR DEMOCRATIC GOVERNANCE: DUTCH SHARE
CONCERNS AND INDICATE ROOM FOR MANEUVER

REF: STATE 90020

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ACCORDINGLY.

¶1. (SBU) Summary. While not opposed to the objectives of the PDG, the GONL is concerned that implementation is moving too quickly and that the PDG structure reduces accountability while overlapping with existing development organizations and efforts. The Dutch would remove their objections, and would be open to forward progress at the July 3 DAC meeting, if the PDG met five conditions that would increase links to existing initiatives and the representation of recipient countries. End Summary.

¶2. (U) Deputy Chief of Mission delivered on July 2 reftel points and non-paper regarding the Partnership for Democratic Governance (PDG) to Dutch Ministry of Foreign Affairs Officials Aart Jacobi, Director for Human Rights, Humanitarian Aid, and Peace Building, and Jan Huesken, Senior Policy Advisor, Department of Human Rights and Peacebuilding.

¶3. (SBU) The officials noted that while the GONL remained supportive of overall U.S. development and PDG principles, they had four issues regarding structure and process. First, the PDG might reduce a Government's accountability to its own citizens, and a centralized PDG unit in a "Northern" organization risked not taking the regional or country-specific context into account, Huesken said. Second, other organizations such as the Fragile States Group or the Development Assistance Committee (DAC) were already engaged in state and capacity building, he said, and added that forming an additional group could lead to overlap and contradicted OECD efforts toward streamlined operations and increased efficiency. Third, Huesken said recent efforts to institutionalize the PDG had taken the Dutch by "surprise," as the GONL had left the April 17 OECD workshop with the impression that further discussions and a new proposal would be developed first. Lastly, Jacobi questioned the added value of the PDG, which would operate in a "crowded field" already having many initiatives and other players such as the UNDP.

¶4. (SBU) Jacobi said he understood the PDG was a U.S. priority, and that the Dutch did not want to be "the one country to spoil it." He said the Dutch would allow the PDG to move forward at the July 3 DAC meeting if the following five conditions were met and supported by other countries having reservations:

-- First, that the Advisory Unit be located in the development cluster and report to the Deputy Secretary General responsible for development.

-- Second, that the PDG Steering Group, DAC Development Governing Board, and the Steering Group from the Group du Sahel form part of the development cluster. This would avoid the problems that occurred in 2002 when the Club du Sahel had to be incorporated into the development cluster, Jacobi said.

-- Third, that recipient countries have a voice. This, Jacobi said, could be accomplished by either creating an Steering Group advisory body of potential client countries, or by having client countries represented in the Steering Group through organizations the African Union, Organization of American States, or UN Economic Commission for Africa.

-- Fourth, that PDG technical assistance be clarified and made consistent with OECD policy on capacity building and the DAC's recent priority identification exercise. The PDG should avoid duplication with GovNet, the Fragile States Group, and the Conflict Peace and Development Cooperation group.

-- Fifth, that there should be a well designed exit strategy for outsourced technical assistance and that the DAC should assure that the exit strategy is followed.

15. (SBU) Jacobi said the Dutch Ambassador to the OECD would have the authority to commit the Netherlands if these conditions were met, and had "some leeway" to work with minor variations. However, large deviation would require the Ambassador to report back to The Hague, Jacobi noted.

16. (SBU) Both Dutch officials questioned why the PDG had to be established, and said other organizations or work streams could do it or be modified to accomplish the PDG's objectives. They also questioned the urgency to establish

the PDG so quickly.

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